

Joint Committee on Taxation
June 20, 1984
JCX-26-84

The attached items were provided for the information of the conferees only and do not necessarily reflect any decisions made in the conference.

HOUSE RESPONSE TO SENATE OFFER

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| <p>4. Maximum estate and gift tax rates (sec. 21 of the House bill) (p. 12)</p> | <p>Senate recedes with a modification that the tax rate is 55 percent in 1984 through June 19, 1984, 60 percent beginning June 20, 1984 through 1987, and declines to 55 percent in 1988, and to 50 percent thereafter.</p> |
| <p>5. Windfall profit tax rate on newly discovered oil (sec. 25 of the House bill) (p. 12)</p> | <p>Senate recedes with modification that the tax rate is 22.5 percent for taxable oil removed from the premises in 1984 through the month that includes the date of enactment, and that the rate is 25 percent for the remainder of 1984 through 1987, declining to 22.5 percent in 1988, 20 percent in 1989, and 15 percent thereafter.</p> |
| <p>29. Increase in reduction of certain corporate tax preference items from 15 percent to 20 percent (sec. 45 of the Senate amendment) (p. 44)</p> | <p>House recedes.</p> |
| <p>36. Collapsible corporations (sec. 164 of the House bill and sec. 51 of the Senate amendment) (p. 52)</p> | <p>Senate recedes on effective date.</p> |
| <p>37. Condominium conversions (sec. 301 of the House bill) (p. 54)</p> | <p>Senate recedes.</p> |
| <p>50. Prepaid expenses (sec. 91 of the House bill and sec. 71 of the Senate amendment)</p> | <p>Senate recedes with an amendment providing an exception that would allow a deduction for prepaid expenses where economic performance occurs after the end of the year under the following conditions: (a) economic performance occurs within 90 days after the end of the taxable year, (b) deduction would be limited to the cash investment made by the taxpayer,</p> |

and (c) the requirements of present law are met. For purposes of this exception, in the case of oil and gas, economic performance would occur when drilling of the well is commenced.

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167. Enterprise Zones (p. 210) Senate recedes.
190. Installment payments of estate tax attributable to interests in closely held businesses (sec. 812 of the House bill and sec. 801 of the Senate amendment) (p. 280) House recedes with technical modifications.
191. Repeal of generation-skipping transfer tax (sec. 302 of the Senate amendment) (p. 280) Senate recedes.
225. Spousal IRAs (p. 322) Senate recedes.
226. Nondeductible IRAs (p. 322) House recedes.
232. Residential renewable energy tax credits (sec. 855 of the Senate amendment) (p. 328) Senate recedes.
233. Business energy tax credits (sec. 855 of the Senate amendment) (p. 328) Senate recedes.
234. Definition of new energy property (sec. 174 of the Senate amendment) (p. 332) House recedes.
235. Targeted jobs credit (sec. 856 of the Senate amendment) (p. 332) House recedes to one year extension.
237. Investment tax credit for soil and water conservation expenditures; increase in cost recovery period for single purpose agricultural structures (sec. 892 and 893 of Senate amendment) (p. 336) Senate recedes.

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243. Research and development
incentives (p. 340)

Senate recesses.

244. Extension of moratorium
on application of research
and experimental expense
of allocation regulation
(sec. 373 of the Senate
amendment) (p. 346)

House recesses.